GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:1661
ANSWERED ON:28.11.2001
INDIGENOUS PRODUCTION OF CELLULAR HANDSETS
GANTA SRINIVASA RAO

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that our entire requirement of cellular hand sets is presently met by import;

(b) if so, whether the Government are contemplating to create infrastructure for the manufacture of such sets indigenously;

(c) if so, the details thereof; and

(d) the anticipated requirement of handsets in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b) & (c) Manufacturing of the telecom equipment including Cellular hand-sets has been de-licensed, and therefore, companies are free to set up manufacturing units for the Cellular hand-sets. Furthermore, 100% FDI is allowed in manufacturing sector. In order to encourage the manufacture of mobile phones including cellular phones indigenously, Government has already reduced the basic customs duty and special additional duty (SAD) on the parts of cellular phones to zero. However, manufacturing for cellular hand-sets requires high volumes. Though Cellular Mobile phone is growing annually at the rate of over 100% adding over 200,000 subscribers per month, volumes have not yet reached a level which encourage setting up of indigenous base. Some companies like ITI, HTL and M/s Global Marketing & Distribution Company have shown interest in setting up the infrastructure for manufacture of such sets indigenously.

(d) The anticipated requirement of cellular handset in the country for the next 5 years is approximately 31 million.